

Bow Valley Credit Union

2020 Q2 Financials



Bow Valley Credit Union Ltd.

Balance Sheet (unaudited)

	April 30, 2020	October 31, 2019
Assets		
Cash	\$ 4,597,554	\$ 10,001,561
Investments and accrued interest	34,582,584	35,388,957
Loans to members and accrued interest	325,860,014	309,533,057
Derivative financial assets	28,322	42,363
Other assets	3,491,762	919,428
Income taxes receivable	-	552,259
Deferred income tax asset	-	-
Property and equipment	7,079,329	7,276,569
Intangible assets	42,315	30,121
	\$ 375,681,880	\$ 363,744,315
Liabilities		
Member deposits and accrued interest	\$ 347,339,795	\$ 337,354,151
Loans payable	-	-
Accounts payable and accrued liabilities	2,196,966	627,880
Derivative financial liabilities	28,322	42,363
Income taxes payable	-	-
Deferred income tax liability	190,820	190,820
	\$ 349,755,903	\$ 338,215,214
Capital and Retained Earnings		
Allocation Distributable	\$ -	\$ 529,891
Common Shares	3,423,742	3,101,903
Investment Shares	4,109,192	4,291,246
Retained Earnings	18,392,943	17,606,061
Accumulated Other Comprehensive Income	-	-
	25,925,877	25,529,101
	\$ 375,681,780	\$ 363,744,315

Bow Valley Credit Union Ltd.

Statement of Comprehensive Income (unaudited)

	Six Months Ended April 30, 2020	Six Months Ended April 30, 2019
Financial Income		
Interest On Member Loans	\$ 5,891,271	\$ 5,023,136
Investment	347,084	460,976
	<u>6,238,352</u>	<u>5,484,112</u>
Financial Expense		
Interest on member deposits	2,280,691	1,359,929
Interest on borrowings	56,082	686
	<u>2,336,773</u>	<u>1,360,615</u>
Financial margin before profit share	3,901,579	4,123,497
Profit Share	0	0
Financial margin	3,901,579	4,123,497
Charge for loan impairment	203,678	344,964
Financial margin after charge for loan impairment	3,697,901	3,778,533
Other Income	808,591	740,887
Gross Margin	4,506,492	4,519,420
Operating Expenses	3,688,988	3,626,229
Income before income taxes	817,504	893,191
Provision for income taxes		
Current	30,622	174,708
Net income and comprehensive income	\$ 786,882	\$ 718,483

Bow Valley Credit Union Ltd.

Statement of Retained Earnings (unaudited)

	Six Months Ended April 30, 2020	Six Months Ended April 30, 2019
Retained Earnings, beginning of period	\$ 17,606,061	\$ 16,690,387
Add: Net Income	786,882	718,483
Deduct: Prior year end adjustments	-	-
Retained earnings, end of period	\$ 18,392,943	\$ 17,408,870

Bow Valley Credit Union Ltd.

Statement of Accumulated Other Comprehensive Income (unaudited)

	Six Months Ended April 30, 2020	Six Months Ended April 30, 2019
Accumulated Other Comprehensive Income, beginning of period	\$ -	\$ -
Add: Unrealized Gains/(Losses) Investments	-	-
Accumulated Other Comprehensive Income, end of period	\$ -	\$ -

Bow Valley Credit Union Ltd.

Statement of Cash Flows (unaudited)

	Six Months Ended April 30, 2020	Six Months Ended April 30, 2019
Cash flows from operating activities:		
Net income	\$ 7,86,882	\$ 718,483
Adjustments for:		
Change in non-cash items:		
Net interest income	(3,901,579)	(4,123,497)
Provisions for impaired loans	203,678	344,964
Provisions for deferred income taxes	0	0
Depreciation	433,090	180,081
Loss on disposition of property and equipment	0	0
	<u>(2,477,929)</u>	<u>(2,879,969)</u>
Changes in other assets:		
Changes in other assets	(2,572,334)	(761,420)
Changes in accounts payable and accrued liabilities	1,569,086	74,778
Changes in income taxes payable and receivable	552,259	34760
	<u>(450,989)</u>	<u>(651,882)</u>
Changes in member activities (net):		
Changes in member loans	(16,310,299)	(6,438,934)
Changes in member deposits	9,985,644	12,941,221
	<u>(450,989)</u>	<u>(6,502,287)</u>
Cash flows related to interest:		
Interest received on member loans	5,667,506	4,945,587
Interest received on investments	411,751	452,935
Interest paid on deposits	(2,280,691)	(1,380,425)
Interest paid on borrowings	(56,082)	(686)
	<u>3,742,484</u>	<u>4,017,411</u>
Cash flows from financing activities:		
Issuance of common and investment shares	8,333	28,371
Redemption of common and investment shares	(417,268)	(504,211)
Tax recovery on investment share dividends	0	0
Repayment of loan payable	0	0
	<u>(408,935)</u>	<u>(475,840)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	3,428,033	2,202,456
Purchase of investments	(2,686,330)	(6,928,914)
Additions to intangible assets	0	0
Additions to property and equipment	(225,686)	(32,302)
	<u>516,017</u>	<u>(4,758,760)</u>
Net increase (decrease) in cash	(5,404,007)	1,753,247
Cash, beginning of period	10,001,561	7,896,427
Cash, end of period	\$ 4,597,554	\$ 9,649,674

Bow Valley Credit Union Ltd.

Notes to the Financial Statements

For the Six Months Ended April 30, 2020

1) Basis of Presentation

The interim financial statements of Bow Valley Credit Union Ltd. ("the Credit Union") have been prepared by management in accordance with International Financial Reporting Standards accepted in Canada. The interim financial statements have been prepared following the same accounting policies and methods of computation as the financial statements for the fiscal year ended October 31, 2019. The disclosures provided below are incremental to those included with the annual financial statements. Certain information and note disclosure normally included in year-end financial statements prepared in accordance with International Financial Reporting Standards are not included. The interim financial statements should be read in conjunction with the financial statements and the notes in the Credit Union's annual report for the year ended October 31, 2019.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements.

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